

**BUTTE SCHOOL DISTRICT NO. 1
BOARD OF TRUSTEES
SPECIAL MEETING
May 18, 2017**

The Board of Trustees held a Special Meeting on Thursday, May 18, 2017 at 5:00 p.m. at the School Administration Building with Chairperson Ann Boston presiding. Trustees present were Tom Billteen, Susanne Dauenhauer, J.P. Gallagher, Kelly Howery, Becky Nicholls, and Carol Wold. Trustee Patti Hepola was absent. Also present were: Judy Jonart, Superintendent, Therese McClafferty, Director of Human Resource and Dennis Clague, Business Manager.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

WELCOME AND DIRECTIONS FOR PUBLIC PARTICIPATION

Item 1 – Approval of the Food Service Memorandum of Understanding

Therese McClafferty, Director of Human Resources, presented a Memorandum of Understanding (MOU) regarding the employer contribution for health insurance for the upcoming fiscal year for Food Service employees. Ms. McClafferty requested approval to freeze the employer contribution to recoup some of the funds that are required to pay the Trust in advance for their new insurance coverage. The Trust requires payment for the month of July 2017 with the actual payment being made in June, therefore creating two (2) payments being made in the month of June 2017. Trustee Nicholls asked if UNITE HERE agreed, Ms. McClafferty responded affirmatively as Mark Anderlik, Union Representative, has signed the MOU.

Trustee Wold moved to approve, second by Trustee Nicholls, motion carried.

Item 2 – Approval of the Cleaners Memorandum of Understanding

Therese McClafferty, Director of Human Resources, presented the Memorandum of Understanding (MOU) regarding the employer contribution for health insurance for the upcoming fiscal year for the Cleaners. The request is for approval to freeze the employer contribution to recoup some of the funds that are required to pay the Trust in advance for the new insurance coverage for the Cleaners. This is the essentially the same MOU as presented for Food Service employees. Chairperson Boston asked how many Cleaners the District employs. Ms. McClafferty responded that there are twenty-six (26) Cleaners.

Trustee Billteen moved to approve, second by Trustee Gallagher, motion carried.

Item 3 – Approval of the Food Service UNITE HERE Healthcare Insurance Memorandum of Agreement

Dennis Clague, Director of Business Affairs, presented a Memorandum of Agreement (MOA) between the Food Service employees and UNITE HERE Local 23 requesting approval to offer increased coverage at a lower cost to the employees. Mr. Clague indicated that there was some language in the agreement that the District was not comfortable with and consulted Pat Fleming, attorney for the District. Mr. Fleming reviewed the MOA for both the Food Service employees and the MOA for the Cleaners and agreed that he was not comfortable with some of the language in the agreements but after much deliberation, UNITE HERE would not remove the language. Mr. Fleming felt that per the language in the agreement, the Trust could sit on the monies and that UNITE HERE has free reign to makes changes as they desire at any time for any reason. Trustee Billteen noted that Mr. Fleming identified the issues and risks for concern with the MOA's. Trustee Billteen asked if Mr. Fleming felt that the Board should be ok in approving the MOA's. Mr. Clague responded that Mr. Fleming did not disagree with the MOA as it is standard language but wanted to inform the Board of the verbiage. Chairperson Boston asked Ms.

McClafferty to clarify that this is standard language. Ms. McClafferty responded affirmatively and noted that this is the same language that was reviewed in a prior Machinist union agreement and was approved to avoid going to arbitration. Trustee Billteen asked if these types of agreements have been historically approved in the past by the Board. Chairperson Boston responded that yes, they have been approved in the negotiation stages. Chairperson Boston also added that the insurance trust needs to be solvent and explained the levels as green, yellow and red. Should the Trust be in the red, they are required to move funds in order to be in the green. Superintendent Jonart asked Mr. Clague to confirm Mr. Fleming's comments about the MOA's. Mr. Clague responded that the District has a pending deadline of May 19, 2017. Mr. Fleming informed UNITE HERE that no such agreement has been approved in the past by the Board, however a response was not received from UNITE HERE. Chairperson Boston clarified that if the agreement was not approved, the District employees would not have any insurance coverage. Superintendent Jonart added that this would then be in violation of the Affordable Care Act. Trustee Dauenhauer asked if this was a new insurance. Mr. Clague answered affirmatively and that the Trust proves to be solvent. Trustee Howery asked what the risk to the District was. Mr. Clague responded that there isn't a risk to the District as the dollar amount paid will be the same and the amount will not be re-negotiated. Trustee Gallagher asked what the worst case scenario would be. Mr. Clague responded that the risk comes in forcing the District to submit electronic remittance. Currently the District does not have electronic remittance capabilities as the monies are handled through Butte-Silver Bow County Government and then through the bank. Mr. Clague then responded to Trustee Gallagher's question about having clarification on file from the union that they understand we do not have electronic payment availability by stating that any electronic payment requirement would become the responsibility of the Trust to get the District set up. Trustee Billteen asked if it was safe to say that the District is in a "catch 22" in that if the agreement is approved, the District has some risk and if not approved, then the employees will not have any insurance coverage. Trustee Gallagher added that the District's hands are tied and is basically being forced to approve as there aren't any alternative options or solutions. Superintendent Jonart indicated that both Trustees summed up the issue and that because the District does not own the insurance policy, it does not have any say so and is at the mercy of the union.

Trustee Wold moved to approve, second by Chairperson Boston, disapproved by Trustee Billteen, Ayes = 6, Nay = 1; motion carried.

Item 4 – Approval of the Cleaners UNITE Here Healthcare Insurance Memorandum of Agreement

In addition to the above narrative, Mr. Clague noted that the life insurance premium varies according to the age of the employee. Language was included by Mr. Fleming of the highest dollar amount to be contributed to the life insurance premium and that any left-over monies would be applied to the healthcare insurance premium. Trustee Wold asked the name of the insurance company. Mr. Clague responded that the union is self-insured. Trustee Gallagher asked if the self-insured group is larger than the current insurance carrier, MUST. Mr. Clague responded affirmatively and that the trust is more financially sound.

Trustee Wold moved to approve, second by Chairperson Boston, disapproved by Trustee Billteen, Ayes = 6, Nay = 1; motion carried.

Item 5 – Public Comment on Any Public Matter Not on the Agenda

Trustee Billteen announced that the 2017 MTSBA Delegate Assembly is coming up on June 8th and 9th in Helena. Information will be distributed via email to each Trustee.

Two Substitutes, Allene Trafford and Heather Boese, expressed their concerns regarding the rate of pay subs receive per day. They are being paid \$70 per day and have been at the same rate for the past ten years. They find this unacceptable as a comparison made with other districts reveal that Butte is the lowest paying district and duty expectations only tend to increase. Trustee

Nicholls thanked the ladies for speaking up and feels that this should be considered as a Board. Chairperson Boston also thanked the ladies.

ADJOURNMENT

There being no further business to come before the board, Trustee Gallagher moved to adjourn, second by Trustee Billteen, motion carried. Chairperson Boston adjourned the meeting at 5:44 p.m.

Chairwoman of Board of Trustees

District Clerk
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